



Research Paper

Branding Strategies Adopted By the Banks

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1.1 Introduction

The banking industry in India has a huge canvas of history, which covers the traditional banking practices from the time of Britishers to the reforms period, nationalization to privatization of banks and now increasing numbers of foreign banks in India. Therefore, Banking in India has been through a long journey. Banking industry in India has also achieved a new height with the changing times. The use of technology has brought a revolution in the working style of the banks. Nevertheless, the fundamental aspects of banking i.e. trust and the confidence of the people on the institution remain the same. The majority of the banks are still successful in keeping with the confidence of the shareholders as well as other stakeholders. However, with the changing dynamics of banking business brings new kind of risk exposure. India is poised to become the world's fourth largest economy in the span of two decades. Economic prosperity is providing many in this populous nation with real purchasing power; it simply is an opportunity that cannot be overlooked by global banks.

1.2 Review of literature

Alexander and Colgate(2000) The aggregate of functions is the cumulative sum of all individual activities consisting of an organized effort to discover, create, arouse and meet the needs of the consumer (Alexander and Colgate, 2000). The aggregate of functions is the cumulative sum of all individual activities consisting of an organized effort to discover, create, arouse and meet the needs of the consumer.

Manoj P. K. (2010), named "Determinants of Profitability and Efficiency of Old Private Sector Banks in India with Focus on Banks in Kerala State: An Econometric Study" noted that adoption of ICT is one of the major factors that significantly influence the profitability of banks.

Mr. Anil Kumar (2013), "Bank Marketing Mix: New Strategy in Today's Banking Sector," describes that the role of bank marketing continues to change. Public relations have been the primary focus of bank marketing for many years. Then the emphasis turned to the advertising and sales promotion. This was accompanied by an emphasis on the creation of a sales culture.

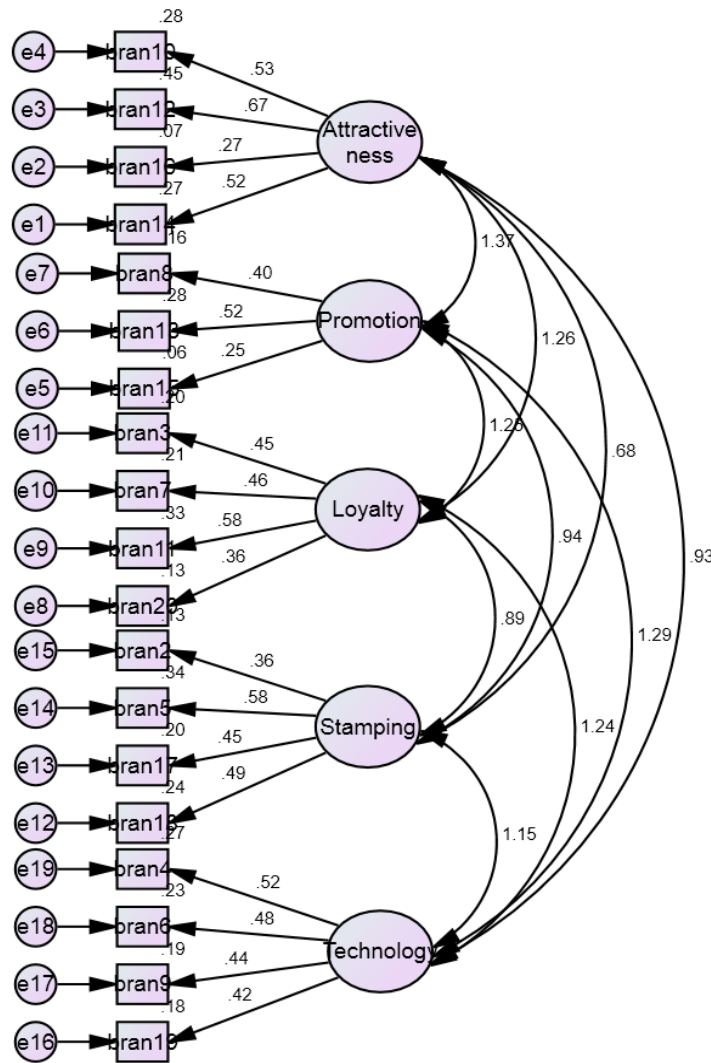
1.3 **Research methodology:** The study was carried in Coimbatore district with a sample size of 384 respondents. The opinion were analysed through SPSS software using AMOS.

1.4 Demographic Information

Age	Frequency	Percent
18-25 years	52	13.5
26-35 years	97	25.3
36-45 years	196	51.0
Above 45 years	39	10.2
Gender	Frequency	Percent
Male	185	48.2
Female	199	51.8
Marital status	Frequency	Percent
Married	309	80.5
Unmarried	75	19.5
Total	384	100
Education	Frequency	Percent
Graduate	153	39.8
Post graduate	166	43.2
Technical Diplomas	65	16.9
Occupation	Frequency	Percent
Professional	235	61.2

Business	47	12.2
Salaried	102	26.6
Income	Frequency	Percent
Less than Rs.10,000	143	37.2
Rs.10001 –Rs.20000	152	39.6
Rs.20001 and above	89	23.2

A Confirmatory Factor Analysis (CFA) using AMOS 16 was applied to test the theoretical model and hypothesis vis-a vis to assess fitness, reliability and validity of measurement models for different constructs in the study. The various resulting measurement models are as follows :



The Confirmatory factor analysis model for branding of banks was designed to test the relationship between 21 variables and five construct viz., Attractiveness, Promotion, Loyalty, Stamping and Technology. The model presented has been found to be appropriate as the values are fit under the threshold criteria (Chi-square/df = 11.379, RMR = 0.209, GFI = 0.664, TLI = 0.384, CFI = 0.488 and RMSEA = 0.165).

In order to have a depth analysis a path analysis was performed by framing a suitable hypothesis.
H0 : There is no influence among branding of banking service factors.

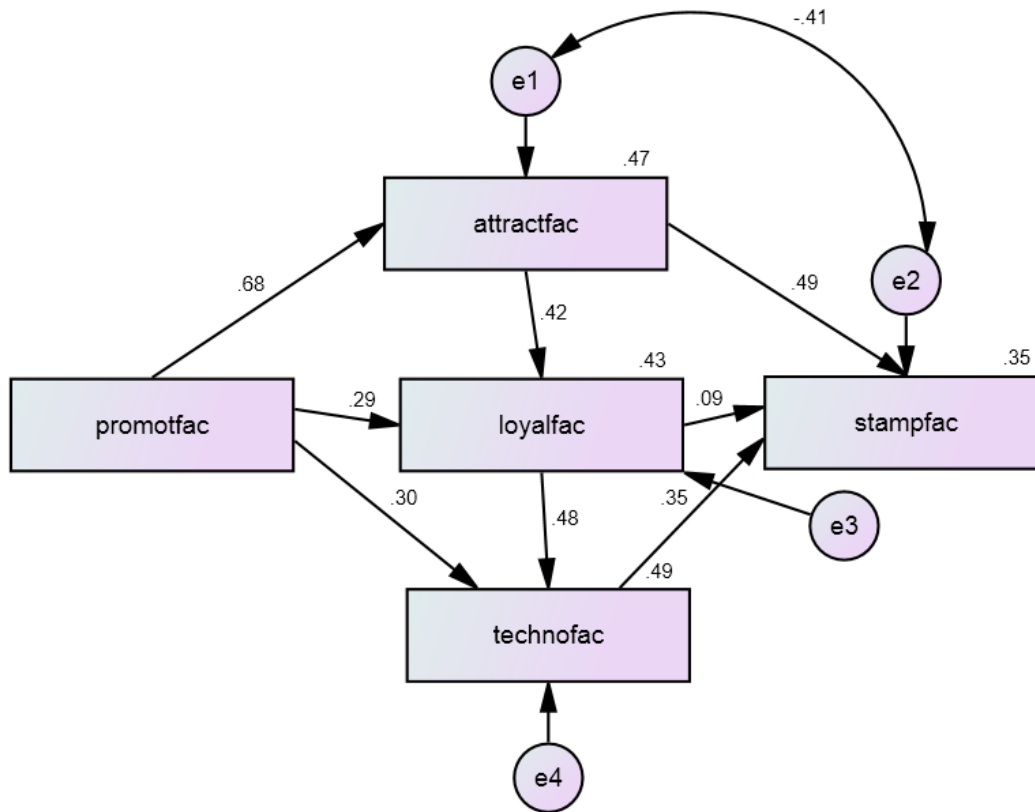


Table 2 - Regression Weights: (Group number 1 - Default model)

Factors		Factors	Estimate	S.E.	C.R.	P	Label
Attractfac	<---	Promotfac	.731	.040	18.155	***	par_1
Loyalfac	<---	Promotfac	.284	.052	5.509	***	par_2
Loyalfac	<---	Attractfac	.386	.048	8.007	***	par_7
Technofac	<---	Promotfac	.289	.044	6.574	***	par_3
Technofac	<---	Loyalfac	.481	.045	10.690	***	par_8
Stampfac	<---	Attractfac	.472	.074	6.377	***	par_4
Stampfac	<---	Loyalfac	.097	.060	1.619	.105	par_5
Stampfac	<---	Technofac	.369	.056	6.603	***	par_6

The Regression weights of the above table indicate the influence of one factor on the other. The Promotion factors have influence on attractiveness factor, loyalty factor and technology factor. The attractiveness factor have influence over loyalty factor and stamping factor. The loyalty factor have influence over technology factor and do not have influence over stamping factor as the p value is not significant, whereas the technology factor has an influence over stamping factor as the p value is significant.

Where, attractfac – Attractiveness, promotfac – Promotion, loyalfac – Loyalty, technofac – Technology and stampfac – Stamping. The Result includes Chi-square value of 2.462 which is less than 5 with degrees of freedom 1 and probability level with 0.117. The other different common model-fit measures used to assess the models overall goodness of fit is shown in the below table.

Table 3 - Fit statistics of the Measurement model

Fit statistic	Recommended	Obtained
χ^2	-	2.462
df	-	1
χ^2 Significance	p <= 0.05	0.117
χ^2 / df	< 5.0	2.462
GFI	>0.90	0.997
AGFI	>0.90	0.961
NFI	>0.90	0.987
RFI	>0.90	0.874

CFI	>0.90	0.992
TLI	>0.90	0.921
RMSEA	<0.05	0.062
RMR	<0.02	0.007

Results: Goodness of Fit Index (GFI) obtained is 0.997, AGFI is 0.961, NFI, RFI, CFI, TLI are 0.987, 0.874, 0.992 and 0.921 respectively. RMSEA is 0.062 and RMR is 0.007. The model showed an acceptable overall model fit and hence, the theorized model fit well with the observed data. The Confirmatory factor analysis model for branding of banks was designed to test the relationship between 21 variables and five construct viz., Attractiveness, Promotion, Loyalty, Stamping and Technology. The model presented has been found to be appropriate as the values are fit under the threshold criteria (Chi-square/df = 11.379, RMR = 0.209, GFI = 0.664, TLI = 0.384, CFI = 0.488 and RMSEA = 0.165).

Conclusion: The Promotion factors have influence on attractiveness factor, loyalty factor and technology factor. The attractiveness factor has influence over loyalty factor and stamping factor. The loyalty factor have influence over technology factor and do not have influence over stamping factor as the p value is not significant, whereas the technology factor has an influence over stamping factor as the p value is significant.

References:

- [1]. Alexander and Colgate (2000) Aggregate of functions is the cumulative sum of all individual activities consisting of an organised effort to discover.
- [2]. Manoj P.K (2010) named "Determinants of profitability and efficiency of old private sector banks in India with focus on Banks in Kerala State. An Economic Study"
- [3]. Mr. Anil Kumar (2013) "Banking Marketing Mix: New Strategy in Today's Banking Sector."